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Previous references.

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Later references.

B, C
Sls 2105
Sls 6847

GENERAL AND REVENUE SECRETARIAT.

Serial Nos.

Part B. for August 1860

SUBJECT.

Government of India instructions for the management, assessment and collection of Income Tax, with an intimation that the tax is not to be collected in Mysore except on salaries, annuties and pensions paid by Government.

1. From the Under-secretary to the Govt of India.
Cir. No. 3450 dt 16th August 1860.

Forwards for information and guidance copy of a letter from the Secy. to the Govt of India, Home Dept. with instructions for the management, assessment and collection of Income tax and adds that the same is to be levied in Mysore on salaries, annuities and pensions.

Circular SC No. 1
No. 3450 ~~Secret 522~~ G 12. 1. 1860

From

C. H. Aitchison Esqr.
Under Secy to the Govt of India,

To

Lieut. Gen.l Sir Alex.r Johnston K.C.B
Commr for the Government of the
Territories of H. H. the Rajah of Mysore

&c, Fort William the 16th Augt 1860

Foreign Dept.t Sir,

I am directed by the Governor General in Council to forward for your information and guidance the accompanying Copy of a letter from the Secretary to the Government of India in this Dept.t &c of 10th inst, together with a Copy of the Instructions alluded to therein for the management, assessment, and collection of the Income Tax.

2d. His Excellency in Council desires me to state, that the tax is not to be collected in Mysore, except on salaries, annuities, and pensions paid by Govt. under Schedule A.

I have the honor to be,
Sir,
Your most Obed.t Servant,

C. H. Aitchison
Under Secy to the Govt of India.

Fort William
the 16th August
1860.

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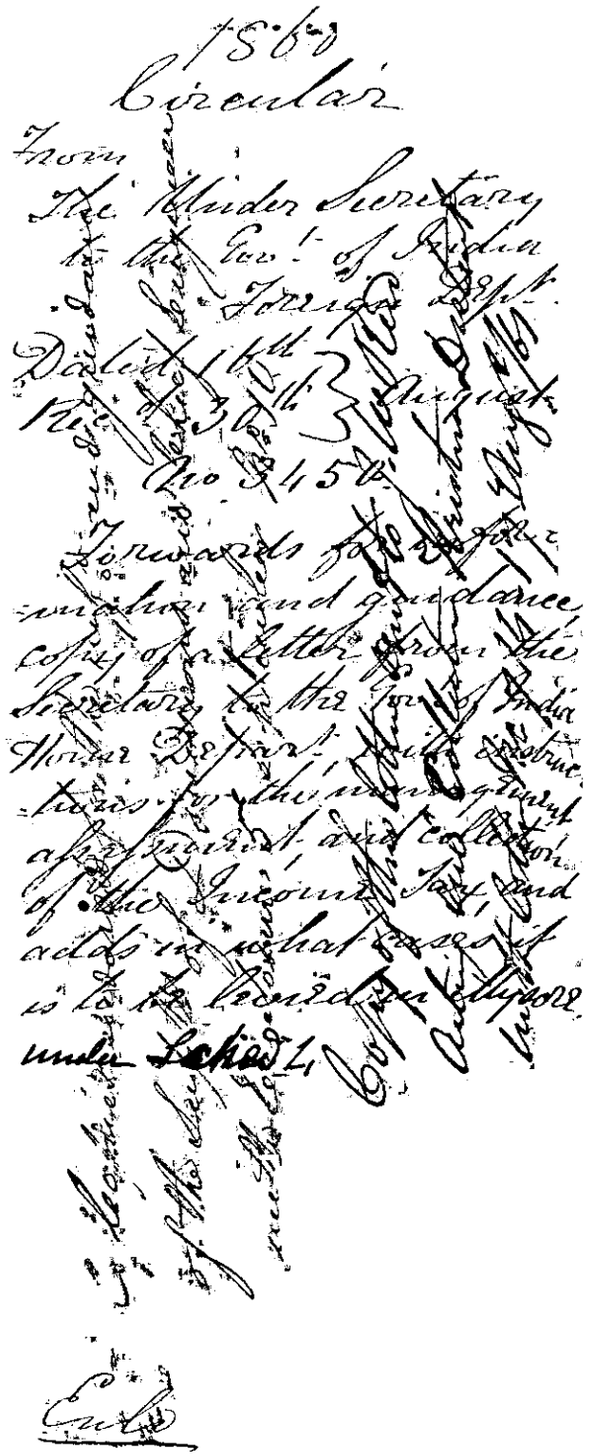

Encl to Sl No. 1
Sl. No. 522
C.A. 1 1860

No.

FROM

W. GREY, ESQUIRE,
Secy. to the Govt. of India,

To

SIR,

Dated Fort William, the 10th August 1860.

HOME DEPT. Revenue. I AM directed by the Governor General in Council to forward the accompanying paper of Instructions which has been drawn up for the general guidance of the Officers who will be employed in superintending the assessment and collection of the Income Tax.

2. I am desired to express a hope that in communicating these instructions will add to them whatever further injunctions may appear to him requisite in order to ensure the attainment of a successful result to the exertions of the local Officers who will be engaged in levying the new Tax.

3. By a successful result, it will be readily understood from the general tenor of the paper of instructions, that the Governor General in Council does not refer exclusively, or even chiefly to the exhibition of large collections. While the financial interests of the State should no doubt be kept steadily in view, there is on the other hand nothing to be more carefully guarded against on the first launching of a new system of taxation, such as the Income Tax is under British Rule, than allowing an impression to prevail that the amount of revenue raised in different districts will be regarded by the Government as the first criterion of successful management. It will be well indeed that every Collector or other Chief Revenue Officer of a District should be confidentially told that the Government does not expect, as it would assuredly be vain to expect to obtain perfectly true returns of property liable to the Income Tax, and that so long as the Return of Income rendered by any person shows a fair approximation to his reputed means, and agrees tolerably with the estimation in which he is known to be held by Native society, such return should be received. The power to surcharge, it may be stated, should not be exercised on mere surmise, but should be used only when the Assessor or Collector may have information that he can confidently rely upon, showing that the return is to a material extent unfair, or when the return may be manifestly and flagrantly inconsistent with the known position and means of the person rendering it. Thus, it may be hoped that resort to the power of surcharge will be the exception and not the rule, and that

Encl to Sl No. 1
Sl. No. 522
Cl 4. 1860

No.

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Secy. to the Govt. of India,

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3

in those instances in which it is had recourse to, the justice of it will be clear and beyond question.

4. It may perhaps be desirable, but this the Governor General in Council would wish to leave to the discretion of the local Governments, to send to each Collector a carefully worded and accurately translated notice to be promulgated in every district, the general object of which should be to explain to the people in simple terms the nature of the tax—to tell them that the Government requires each man to pay a very small proportion of his annual receipts, and that for this object it is necessary either that communities should assess themselves in aggregate sums, subject to the approval of the Collector, or that each individual should state the amount of his income,—and to assure them that provided they will, in either way, deal fairly by the State, the Government and all its Officers will use their best endeavors to levy the tax with the smallest possible annoyance and trouble to the payers of it. The opportunity might be taken also to point out the general application of the law, and more especially that under it all Civil functionaries from the highest to the lowest in the receipt of a salary of 200 Rupees per annum and upwards, are to be called upon to contribute their share to the necessities of the State.

5. With reference to paragraphs 6 to 12 of the Instructions, I am directed to state that it will of course be necessary that the local Governments should engage at once, in anticipation of the sanction of the Government of India, whatever additional establishment may be necessary. And similarly, if, after the schedules referred to in paragraph 12 have been sent up, it should be found

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I have the honor to be,
SIR,
Your most obedient servant,

Secy. to the Govt. of India.

Exd.—U. A. Lawlor.

Encl to Sec No-1
Spl File 522

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INSTRUCTIONS FOR THE MANAGEMENT, ASSESSMENT, AND COLLECTION OF THE INCOME TAX.

1. The Income Tax Act having now been passed by the Legislature, the Governor General in Council desires to draw the attention of the several Governments to certain portions of the Law, with a view to their laying certain general injunctions on the various Collectors, Commissioners, and Chief Revenue Authorities charged with the carrying out of this important measure.

2. Part I. of the Act, containing the specification of the four Schedules of property liable to the Tax, is in itself sufficiently explicit.

3 Part II. relates to the official machinery for the execution of the Act.

4. In the Presidency Towns the first step to be taken by the Local Government will be the constituting of the Income Tax Commission. This Commission will consist of at least six members, of whom two at least must be non-official, so that four official and two non-official members may be provided. It is expected that among the various fiscal functionaries at the Presidency, four Officers will be found who can Act in this Commission in addition to their other duties. The senior, who is to preside; and on whom the general conduct of the proceedings will devolve, should be a carefully selected Officer of ability and experience. The non-official members should be gentlemen selected from the general community for their character and position, and for the per-

sonal respect they may command. The intention of the Supreme Government is not to create appointments which might be sought for as objects of emolument or advantage, but, by the admission of a non-official element, to obtain such an administration of the Tax as may secure the confidence of the community of the Presidency Town. As the main business and detailed proceedings of the Commission would be conducted by the Government Officers, the non-official members would not have to devote any large portion of their time to the work. They would sit with the Commission on certain fixed days, especially on those days when objections to assessments under the Act may be heard. It will not therefore be necessary to assign any regular salary to the appointment; but a remuneration, on the scale marginally noted,* for each actual sitting, will be paid, in the nature of an *honorarium*

* Thirty-two Rupees.

5. Any one of the Covenanted Revenue Officers of the Government may be appointed a Special Commissioner for making special assessments. If the work should not be heavy, then such Officer might perform it in addition to his other duties. If it should prove heavy, then an Officer may be specially appointed on a salary not exceeding Rupees 2,500 a month.

6. In the Presidency Towns it will be necessary to appoint persons *as Assessors*, who shall be men of character and experience, equal fully to the important functions assigned to them in the Act. Their salaries should therefore be on a suitable scale, varying from Rupees 300 to Rupees 500 a month.

7. In these Towns also it will be necessary to appoint a Collector of the Income

Tax, who should be an Officer of standing and experience in the service of Government. At each of the Presidencies there are Officers of this description in charge of Fiscal Departments. Any one of these gentlemen might be selected to collect the Income Tax in addition to his other duties, receiving on this account, if it be thought necessary, an extra allowance not exceeding Rupees 250 a month. Under them can be appointed such establishment as may be necessary.

8. It will probably be desirable that the Presidency Towns should be divided into sub-divisions for the assessment and collection of the Tax. In all cases it will be necessary to define the outer limits of the Presidency Town District in the manner prescribed by Section IX. of the Act.

9. In the Revenue Districts throughout India, it will be observed that the Collectors of land revenue are charged with the administration of the Income Tax. Their first duty will be the selection of Assessors. These Assessors should be native officers of the best character, of tried experience, and of practical influence with the people. If these men are really well selected, there is every hope that the Tax will be successfully managed. If they are not well selected, then there will be risk of needless inquisitorial processes, of corrupt practices, and ultimately of popular discontent, more or less manifested. In the Districts not under Permanent Settlement, the Assessors should be men of equal rank with the Tuhseeldars in the North-West Provinces and the Punjab, the Tuhseeldars of Madras, and the Mamlutdars of Bombay. In fact, it will be always desirable, wherever possible, to appoint the last-named Officers to act as

Assessors, and to depute others to officiate in the ordinary duties. In purely agricultural localities, where the work is light, the Tuhseeldars might undertake the management of the Income Tax in addition to their other duties. The Tuhseeldar is always a man of tried service and local experience. He is known to the people of his sub-division as an Officer exercising important powers in most branches of the Civil Administration. The employment of such a man as Assessor will bring the aptest knowledge and experience into play, and will secure the respect and confidence of the people. The Tuhseel sub-divisions already existing may be appropriately made use of for this purpose. In the Permanently-settled Districts of Bengal and other Provinces, where Officers of this kind do not already exist, new appointments must be made with reference to the same considerations as those above described, and on similar salaries. In these Districts the Deputy Collectors (whose position will be presently noticed) might be placed in charge of the assessment, and specially appointed Tuhseeldars might be placed under them.

10. The Deputy Collectors will have to perform an important part in the administration of the Act. In many parts of India, Officers of this description are already employed for the management of the land revenue. From among these some of the ablest and best should be selected for the work of the Income Tax, their ordinary duties being temporarily performed by Officiating Deputy Collectors. In those Provinces where such Officers do not already exist, new appointments may be made on salaries similar to those of the regular Deputy Collectors. In such cases the best selections should be made from among the ministerial revenue officers.

11. The Act gives the requisite powers for the appointment of ministerial officers. Now, in addition to reasons of economy in establishments, the Supreme Government desires, for the sake of the people, that these ministerial officers should be as few, and that their power should be as limited as possible. In no case are underlings or subordinate ministerial officers to have any thing to do with the assessment of the Tax. This important duty is to be entrusted to persons of established good character and position, whose duties have in the Act been rendered as simple as possible, so that they may be able themselves to do the work, and have no excuse for employing subordinates in the performance of such duties.

12. It is impossible to lay down beforehand any scale of establishments that would suit all the Provinces and localities in the Empire; but each Local Government or head of a Province will submit, *as soon as possible* to the Supreme Government, a Schedule of the establishments of all grades employed for the management and collection of the Income Tax. Such establishments should be formed with the strictest regard to economy, consistently with efficiency. They will be sanctioned by the Governor General in Council for one year, on the understanding that, after the first year's collections shall have been completed, the cost of collection and management will be subject to general revision. It is expected that the Schedules here called for will be approximately correct. But if additional strength of establishment should, upon experience, be found necessary hereafter, the claim for it will receive the fairest consideration.

13. Part IV. In the management and assessment of the Tax, the first step,

after the issue of the general notice required by Section XXXVII. of the Act, will be the serving of special notice on each individual liable to the Tax. The Assessor, it will be observed, will serve this notice on every person "*whom he may consider liable.*" It is *not* to be inferred from this, that the Assessor is to make any personal enquiries, or to communicate on the subject with the parties liable as above. If, under a mistaken apprehension of his duty, the Assessor were, in the first instance, to proceed from house to house, and from person to person, making enquiries, then intrigue, corruption, inquisitorial vexation, and popular discontent would arise from the very commencement. And at the outset of the proceedings the minds of the people would be set against the whole measure. At this stage, therefore, the Assessor is *not* to make detailed enquiries. He may avail himself of public sources of information; he may ascertain generally from municipal office-bearers, from village headmen, from the officials on the spot, the names and professions of the well-to-do respectable persons in any locality. If he be a man of the requisite intelligence and local knowledge, he will be able by means of such knowledge, and of the information obtainable as above described, and by the aid of general report, to form some opinion as to who is probably liable. In the event of doubt, he should serve the notice. The party, if in truth he be not liable, can show thereafter that such is the fact. If a notice be served erroneously, the party will soon show that he is not liable, and no harm is done. But if a man who is liable shall escape the serving of a notice, then the interests of the public are sacrificed.

14. The next step is the receiving of the returns of incomes prepared by the

parties, in pursuance of the notices, and the computing of the duty thereon. It will be observed that Section XLVI. prescribes "*That the Assessor, on receiving the returns, "shall compute the Duties to the best of his "judgment; but he shall not summon or "question the parties relating to the returns.*" The strictest attention should be paid to this Section. The Assessor is *on no account* to make individual or particular enquiries. If he were to do so, the evils adverted to in the preceding paragraph would assuredly arise. He must use his own intelligence, local knowledge, and general information, to check the returns rendered to him. And he will note in the general abstract return the sum at which he supposes the party ought to be assessed. This he will do conscientiously and without hesitation, and with due regard to the interests of the State. If a person be surcharged, the Act gives that person ample opportunity of objecting. There is no danger of any one being ultimately *over*-charged through the ignorance of the Assessing Officer. If there be some danger of persons being *under*-charged through ignorance, still the prohibition of enquiry at *that* stage has the great advantage of closing the door to a variety of corrupt and oppressive practices. And the Government relies on the vigilance of its Officers to prevent a precaution intended to secure the people from harassment, from being turned into a means of defrauding the just interests of the State.

15. In the same manner it will be observed that, if a person on whom a notice has been served shall omit to render a return, the Assessor is *not* to summon or question such person; he is merely to compute, to the best of his ability, the assessment with which such person is

chargeable, under Section XLVIII. But the rule now adverted to does not bar the person being summoned by the Collector, if that Officer should deem it necessary to enforce the penalty prescribed by the Act for the non-rendering of returns.

16. The Assessor is not in any way to announce or publish his computations, but is to report them to the Collector or Commissioners. The Collector or Commissioners, when fixing the assessments, will attend to the direction in Section LII., that they "shall not summon or question the persons chargeable at this stage of the proceedings." If a person be charged in accordance with the return rendered by himself, then no communication will be made to him till the day when the tax-gatherer shall call upon him for payment. If a person shall be surcharged beyond the amount of the return rendered by him, or, having omitted to furnish a return in pursuance of notice, shall nevertheless be charged, then the amount of such charge or surcharge will be notified to him. And he may then, if he think fit, show cause against the same.

17. When a person shall thus appear before the Collector or Commissioners, the method of enquiry is laid down in Section LVI., to which very careful attention should be given. It is there declared that "*The* "*Collector or Commissioners* (*sitting with* "*closed doors*) *shall hear the statement of* "*the person, and may inspect any books or* "*papers, which he shall* VOLUNTARILY *ten-* "*der, or question any witness whom he* "*shall produce; but they shall* NOT REQUIRE "*the person chargeable to produce any* "*books or proofs, besides those which he* "*may* CHOOSE *to tender.*" Thus the *onus probandi* is, by the Act, thrown upon the

person objecting. He will not be commanded to lay bare any portion of his business or his profits. If he thinks fit to offer such information as may satisfy the Officer, an abatement may be allowed in the assessment. If he shall not do so, the Officer will *not* proceed to make any enquiry on the part of Government, but will simply confirm the charge or surcharge.

18. Officers are required not to deviate from the above cited provisions of the Act. It is probable that any apprehensions which the people may feel, are directed not so much to the direct incidence and the actual amount of the Tax, as to the vexatious inquisition, the inconvenient revelations, and the consequent mal-practices, to which an ill-devised system might give birth. It is hoped that these apprehensions may, to a considerable extent, be dispelled by the procedure above described. Every man will see that his affairs will *not* be examined into, *unless he himself shall demand it;* and that it remains for himself to consider whether the *voluntary* production of proofs and papers will be conducive to his interests or not. The smooth and successful working of the Act will much depend on the care and discretion with which this part of the instructions are carried out.

19. It will be remembered that the same rule applies to the proceedings of the Collector or Special Commissioner, when these Officers make special assessments.

20. The due preservation of secrecy is provided for by several Sections of the Act. Section XXXIII. prescribes an oath of secrecy. Section XXXIX. prescribes that the returns rendered by the parties may be sealed up, and that the seal shall be

broken only by the Assessor. Sections XLIII. and XLIV. prescribe that the special applications shall be sealed and addressed to the Collector or Special Commissioner. The Special Commissioner must open all such letters with his own hand. The Collector, if he possibly can, should do the same, as the applications will not be numerous. Section LXIII. prescribes that no paper relating to the assessment shall be inspected by any save the authorised Officers ; and, as already mentioned, Section LVI. prescribes that the hearing of parties by Collector, Commissioners, or Special Commissioner, shall be conducted with closed doors. All these instructions must be literally fulfilled.

21. The provisions of this part of the Act will not of course bar enquiry in cases where such actual fraud, as would be punishable under the Act, may have been committed.

22. It will be seen then, that the execution of the Act in the country, generally, is entrusted mainly to the *Collector*.* In the discharge of this important duty, there are certain cardinal objects which he should constantly bear in view, namely, to prevent inquisitorial and vexatious proceedings; to stop the ministerial officers from making personal enquiries, from intriguing, and from interfering in private concerns ; to check corruption ; to ensure secrecy as to the particulars returned by individuals ; and to make the people feel, that so long as a man only fills in the return sent to him, and pays what is fairly due, he has no inquisition, no exposure, no harassment of any kind to fear.

* See definition of the word 'Collector' in Sec. CCXLVIII. of the Act.

23. The extent to which these very important objects are attained will de-

pend on the skill, care, vigilance, and judgment of the Collector; and upon such attainment will much depend the success of the measure. From his position in the District, from his local knowledge, from his influence over all persons, official and non-official, the Collector possesses advantages for the execution of a measure of this kind, such as no other officer could have. That the Collectors will use all these advantages to protect the just interests of the State on the one hand, and to secure popular contentment on the other, the Government fully believe. An earnest hope is also entertained that the Collectors will, by their watchful supervision, compel all their subordinates to evince a like consideration towards the people. If only the due degree of judgment and forbearance shall be manifested towards the people by the fiscal agency, there is every hope that the Tax will work smoothly and well.

24. Part V. of the Act provides for contracts of composition. These arrangements should be encouraged wherever practicable, inasmuch as they impart to the tax-payer a sense of security, and prevent the necessity of recurring assessments.

25. Parts VI. to X. inclusive contain detailed rules for framing the assessments. These will, it is hoped, be readily understood by the Assessors and Collectors.

26. For assessing the Duties on profits derived from land, the Collectorate records will, in most Provinces, furnish the best data. Attention should be given to the rule which authorises a landholder, in Districts not under Permanent Settlement, who may object to have his profits assumed at the rate of one-third upon his land re-

venue, to return his actual profits. It will be observed that owners of land or houses, occupying the same, will be charged upon the full rent at which such property is worth to be let.

27. In assessing the Duty on profits of trades, it will be important to note the deductions which may and may not be made, and which are duly specified in the Rules. The repair of premises, machinery, and implements will form an important and constantly recurring item. This is not to be calculated in excess of the average of the three preceding years.

Vide Rule 4, Section XCVIII.

28. By Rule 6 of the same Section, the Duty is to be charged upon the profits of every profession or employment in every character whatever. Among the professions in this category will be included the various religious or *quasi*-religious professions and employments. The utmost care and judgment will be required in the assessment of these. It is to be remembered that the profits in these professions, though sometimes considerable, are generally precarious and difficult of money valuation. In such cases the party may have the benefit of any doubt which may fairly arise.

29. Part XI. is of importance as relating to discretionary modes of assessment in particular Districts. In these cases, it is intended to allow much latitude of discretion to the local revenue authorities. An assessment by punchayet or committee of citizens may sometimes be desired by the people generally, or by a majority of them, or for other reasons it may appear desirable to adopt this method. The punchayet might, commencing by individual assessments, arrive at an aggregate of the Tax for the particular locality to

the satisfaction of the Collector ; or the Collector might himself fix the aggregate on general considerations, and leave the determination of the quotas to be contributed by individuals to the people themselves, as represented by the punchayet ;—though if this process be adopted, care must be taken that the aggregate be fixed upon reasonable grounds, and not blindly ; or the Collector might, in consultation with the punchayet and heads of trades, fix a sum for each trade or guild, the total of which sums would make up the aggregate for the place. The punchayet might, in some cases, at first allot out of the aggregate the quotas payable by the several quarters of a city ; within each quarter the quotas might be assessed on each trade and profession ; and within each trade and profession the quotas might be fixed for each individual. Thus there would be committees and sub-committees. Or the punchayet might, with the consent of the people and of the Collector, fix a scale of assessment for various classes, and place individuals in these classes according to their respective means. The selection of the particular method for each place will be left to the discretion of the Collector acting under the direction or sanction of the Government of the Province.

30. It is to be observed that any individual may, before the commencement of the punchayet's proceedings, object to be assessed by this process, and claim to be assessed in the ordinary manner prescribed by the Act. Also the Collector may, if dissatisfied with the assessment made by the punchayet, proceed to make the assessment in the regular manner.

31. The rule which directs (Section CX.) that appeals made to the Collector

against the punchayet's assessment are to be conducted according to the provisions of Part IV. of the Act is to be duly observed.

32. The judicious application of the authority given in Part XI., regarding discretionary modes of assessment, may do much to reconcile the people to the measure. The method should not be forced upon the inhabitants of a place against their will, if this can possibly be avoided. Its popularity or otherwise will much depend on the character, position, and influence of the leading citizens. The Collector should be careful to select men to serve on the punchayet, who command the confidence of their fellow-citizens, and who fairly represent the various interests of the place. The evil chiefly to be feared in these arrangements will be the shifting of a part of the burden from the strong to the weak, from the rich to the poor, and the over-reaching of the simple by the skilful. In order to guard against this, the Collector must make his influence sensibly felt. In every case he should be ready to give to the punchayet his moral support and best counsel. And he, and all Officers under him, should study to treat the members of the punchayet with such consideration and respect as shall make the position of the latter one to be desired and sought after. Such treatment of every Native Gentleman, Merchant, or Trader who may be appointed with an English Officer in the administration of the law, is quite compatible with his firm and temperate enforcement of the duty of each.

33. In Part XIII. the exemption in favor of certain Officers, and of the men of the Army and Navy, will be duly observ-

ed; also that in favor of ryots and cultivators of land, paying a rent of less than six hundred Rupees per annum.

34. By Clause CXXXIII. it is enacted that property solely employed for or dedicated to religious or charitable public purposes may be exempted from the duties by the Local Government, subject to the approval of the Supreme Government.

35. Part XIV. requires no remark.

36. Parts XV. to XVII. inclusive relate to the collection and recovery of the Duties. In the various Districts throughout the country, this can best be done by the regular revenue establishments, some extra peons, and some extra writers for the accounts, being employed. The existing Treasuries in the Stations, and in the interior of Districts, will be perfectly suited for this purpose. It is of importance to avoid the appearance of creating a new agency, which may give to the people the impression of novelty. The Tax should be realised by the same machinery and paid into the same places as those to which the people have been always accustomed. If individuals choose to pay their quotas through headmen of villages or guilds, there is no objection to that. As the payments will be in small amounts, and leviable separately from a number of individuals, the collecting Officers will have more than ordinary opportunities of extortion. Special vigilance and severity will therefore be needed to repress this.

36. Parts XIX. and XX. relate to penalties and to the mode of their enforcement. It is necessary to prescribe these, in order that the Officers of Government may be armed with the requisite powers,

and in order that the people may feel the absolute necessity of obeying fully the orders of the Act. But while on the one hand contumacy, resistance, or wilful neglect are at once to be put an end to, on the other hand the Governor General in Council is anxious that the administration of penalties should be as mild and forbearing as may be consistent with the main objects of the Act. Some consideration should always be shown to the ignorance or inadvertence of the people. Undue harshness or severity in the enforcement of penalties might create a prejudice against the measure. In this respect also special reliance must be placed on the discrimination and discretion of the Collector.

37. With these observations and instructions, the Governor General in Council now commends this important measure to the anxious attention of the Local Governments, of the Chief Revenue Authorities, the several Revenue Commissioners, and the various Collectors and special Commissioners, and Income Tax Commissioners subordinate to the several administrations. In giving directions for carrying out a measure of this kind, it were superfluous to dilate on the importance of effecting a safe, smooth, and successful commencement, and of avoiding to the utmost to raise apprehension, to offend prejudices, or to excite animosity. Direct taxes, not dissimilar in principle to the present Tax, have, at various times, and under various names, been imposed in some parts of India. But it is not the less necessary that, in the form and method of introducing it, there should be as little as possible that is novel, irritating, or alarming. If the management of the Tax should be unskilful or inconsiderate, oppression and discontent may be expected.

If the management be skilful and considerate, it may be hoped that the sense of novelty, and the apprehensions to which it may give rise, will gradually be dispelled, and that the people will exhibit a reasonable acquiescence in a measure which experience will show to be equitable in principle, and, it may be hoped, not troublesome in practice. Doubtless the financial result and the produce of the Tax are of consequence to the interests of the State; but this advantage would be dearly obtained, if in the first instance oppression and popular discontent were to be the price. It cannot therefore be too strongly impressed on the Local Governments, and on every Officer entrusted with a share in directing the introduction of the measure, *that the object is to raise a fair amount in a manner that shall not be oppressive or vexatious to the people.* And, looking to the trained experience, the administrative ability, and zealous assiduity of the Civil Servants of all grades, the Governor General in Council entertains a confident hope that this important result will be attained, and that all practical difficulties in the working of the Income Tax will be surmounted.

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